Supreme Court, U.S.
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No. 00-1318

IN THE

Supreme Court of the United States

LOCAL 134 INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS and MICHAEL FITZGERALD,

Petitioners,

v.

CHARLES CHATHAS, ED McGUIRE, JIM HASTINGS, BERNIE HICKEY, JR., and BOB PITLOCK,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

BRIEF IN OPPOSITION

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REASONS FOR DENYING THE WRIT

The sole question presented by the Petition is whether union officers create a conflict of interest in violation of the Labor Management Reporting and Disclosure Act (LMRDA), when they solicit and collect money from employers with whom their union does business, but on behalf of another organization that these officers also control. Petitioners argue that the Seventh Circuit improperly interpreted Section 501 when it held that such conduct gives rise to a cause of action under the LMRDA.

Petitioners contend that the Seventh Circuit's decision went beyond the scope of conduct to which Section 501 applies. Moreover, Petitioners assert that the Seventh Circuit's decision creates a conflict among the various courts of appeals sufficient to warrant the Court's review. It is this last assertion that Respondents will address first.

There is no conflict among the courts of appeals on the issue presented by this Petition. In none of the cases cited by Petitioner did any other court address the question of whether a union officer's solicitation and/or receipt of money, from an employer with which the union officer has dealings, on behalf of a social/political organization the officer controls, constitutes a violation of Section 501. Instead, Petitioners attempt to create the appearance of a conflict among the circuits. Petitioners cite several cases from various courts of appeals that deal with claims based on Section 501. However, the claims raised in these cases are based on factual allegations that are fatally dissimilar to the facts alleged in the present case. Thus, Petitioners are forced to rely on mere dicta from these decisions to attempt to support their groundless assertion that a conflict exists. However, dicta are not judgments, nor are they holdings. "One of the principal reasons for granting certiorari is to resolve conflicting *decisions* of the courts of appeals". Petition for Writ of Certiorari at 6

(citing *Braxton v. United States*, 500 U.S. 344, 347 (1991)) (italics added). There is no conflict of decisions among the circuits, on the issue involved in this case, for the Court to resolve.

The facts, as alleged by Respondents, stated a cause of action under Section 501. The Seventh Circuit's reading of Section 501 gave that statutory provision its plain meaning. Section 501 expressly prohibits a union officer from "dealing with [the union] as an adverse party in any matter connected with his duties and from holding or acquiring any pecuniary or personal interest which conflicts with the interests of [the union]". The solicitation of money from employers by union officers, on behalf of a separate organization that they control, creates a conflict of interest which is prohibited by Section 501. The Seventh Circuit's ruling was proper in all respects and Respondents respectfully urge this Honorable Court to deny the Petition for Writ of Certiorari.

STATEMENT OF THE CASE

Respondents Charles Chathas, Ed McGuire, Jim Hastings, Bernie Hickey, Jr., and Bob Pitlock (collectively referred to hereafter as "Chathas") are all electricians by trade and members of Local 134 of the International Brotherhood of Electricians (IBEW), which is based in the Chicagoland area. In January, 1999, Chathas filed a complaint against Local 134, Mike Fitzgerald (the principal officer of Local 134), and the Unified Social Club, alleging that Fitzgerald and his administration were involved in fund-raising on behalf of the Unified Social Club and that this fund-raising included the solicitation and collection of money from employers doing business with Local 134, in violation of federal labor law.

Local 134 has historically had a variety of social clubs which were established to provide social activities, services, and entertainment for groups of like minded Local 134 members or members of other IBEW locals (active or retired). The social clubs are legally distinct from Local 134 but are open for membership only to Local 134 members or members of other IBEW locals.

In 1995, Mike Fitzgerald defeated the incumbent Warren Jennings for the office of Business Manager/Financial Secretary of Local 134, which is the Chief Executive Officer position within Local 134. The 1995 campaign pitted two rival slates against one another. Jennings' slate was called the Rank and File slate, while Fitzgerald and his associates ran under the banner of the Unified Slate. After the 1995 election, the Unified Social Club was created and incorporated as the Unified Club of Chicago, Inc. The Unified Social Club was created at the suggestion of Fitzgerald, for the purpose of keeping together the coalition of voters that supported the Unified Slate in 1995. In fact, Fitzgerald was one of the original incorporators of the Unified Club. Subsequently, Fitzgerald held himself out as an honorary member and honorary chairman of the Unified Social Club.

Chathas alleges that the Unified Social Club is, in fact, a political organization. The Unified Social Club routinely published a newsletter for its members and Fitzgerald regularly contributed a column to this newsletter, which he frequently used as a bully-pulpit. The Unified Social Club gave its members advance notice of important issues that would be addressed at monthly meetings of Local 134. For example, a Unified Social Club mailing alerted club members that during the March 1998 Local 134 meeting, proposed

changes to the IBEW Constitution and increases to international pension benefits would be voted upon. There was no mailing by Local 134 alerting the entire membership of these impending votes, nor was this information disseminated in the Local 134 newspaper, "News and Views". In the warmer months of the year, the Unified Social Club sponsored "pre-meeting 'Barbeques' " for its members, which were held in a lot across from the Local 134 union hall, just before Local 134 membership meetings. The purpose of these "barbeques", as stated by Fitzgerald, was to encourage a sufficient turnout of Unified Social Club members to ensure that Fitzgerald and his associates would be able to "control the floor" at those meetings.

Since its inception, the Unified Social Club has financed its activities primarily through fund-raising, with a very significant amount of the money raised coming from employers doing business with Local 134. The Unified Social Club's fund-raising efforts included, but were not limited to, sponsorship of an annual Valentine's Day Dinner Dance, an annual golf outing, and an annual St. Patrick's Day Corned Beef & Cabbage Dinner. The solicitation letters for the 1996-1999 Unified Social Club's Valentine's Day Dinner Dances, many of which were mailed to electrical contractors who regularly do business with Local 134, bear the signature of Mike Fitzgerald.

Another component of Unified's fund-raising efforts consisted of the sale of advertisement space in the Valentine's Day Dinner Dance Program. For example, for the 1998 program book, employers of Local 134 members were requested to pay $100 for a full page ad, $60 for a half page, and $200 for a full gold page ad. The Program/Ad Book for the 1998 dance shows that electrical contractors purchased

in excess of $15,000 worth of ads. It has yet to be seen how much money the Unified Social Club received from electrical contractors for the purchase of tickets to this dance (or other contributions). It also remains to be seen how much money the Unified Social Club received from employers for its other fund-raisers in 1998, and from their fund-raising efforts in 1996, 1997, and 1999. It should also be noted that prior to Chathas' filing of this lawsuit, each and every officer of the Unified Social Club, with one exception, also held either elected office with Local 134 or an office appointed by Business Manager Fitzgerald.

Chathas' Complaint alleged that Defendants' solicitation and collection of money from employers who do business with Local 134, on behalf of the Unified Social Club, violated Section 302 of the LMRA, 29 U.S.C. § 186. Initially, Chathas sought only injunctive relief, to bar Fitzgerald, his administration, and the Unified Social Club from soliciting and receiving money from employers of Local 134 members. However, Chathas subsequently filed an Amended Complaint, which added a claim for additional relief under § 301 of the LMRA. This claim asserted that, as a result of the acts alleged, Defendants also violated their duty of fair representation to the members of Local 134. Chathas contended that Defendants should be required a) to provide an accounting of all the monies they solicited and collected/ received from employers for the Unified Social Club and b) to redress their unjust enrichment (pay the money back to the employers).

The district court conducted a hearing on Plaintiffs' Motion for a Preliminary Injunction on February 12, 1999, (two days prior to the Unified Social Club's annual Valentine's Dinner Dance) and issued a preliminary injunction barring Defendants from continuing to solicit and

collect money on behalf of the Unified Social Club from employers doing business with Local 134. In issuing his decision from the bench at the conclusion of the hearing, Judge Zagel stated that Chathas had gone beyond merely showing a likelihood of success on the merits. Judge Zagel stated that, based on the evidence and testimony presented, the provisions of Section 302 were quite clearly transgressed. Yet, less than two weeks later, Defendants brought a motion to dissolve the preliminary injunction in time for the Unified Social Club's scheduled Corned Beef &Cabbage dinner. Argument on this motion was heard by the district court on February 23, 1999. The motion was denied by Judge Zagel.

On March 30, 1999, Defendants filed an Answer to Amended Complaint and Motion to Dismiss Count II of the Amended Complaint (the § 301-Duty of Fair Representation claim). The matter was briefed and the court issued an order and memorandum opinion dismissing Count II of Plaintiffs' First Amended Complaint. The court stated that Chathas failed to adequately allege sufficient actual harm to any individual member(s) of Local 134 as a result of Defendants' conduct.

In June 1999, Defendants brought another motion to dissolve the preliminary injunction, in anticipation of the Unified Social Club's annual golf outing. Once again, the district court declined to dissolve the preliminary injunction. Then Defendants offered Chathas a judgment pursuant to Rule 68 of the Federal Rules of Civil Procedure. Chathas declined to accept Defendants' offer of judgment, which contained a "non-admissions" clause.

In October 1999, *Defendants* moved the district court for a permanent injunction and a dismissal of the case. The district court granted Defendants' motion for a permanent injunction

and also ordered briefs on Defendants' motion to dismiss the remainder of these proceedings. Chathas responded to Defendants' motion by seeking leave to file a Second Amended Complaint, containing a count, pursuant to Section 501 of the LMRDA, claiming that Defendants' conduct constituted a conflict of interest. Chathas had previously requested that, pursuant to Section 501(b), Local 134 bring a Section 501 suit against Defendants. This occurred in June of 1999, shortly after Count II (§ 301-Duty of Fair Representation) was dismissed. The purpose of a Section 501 claim was to obtain the same relief requested by Count II, an accounting of all money received by Defendants from employers and an order requiring them to pay it back, without the necessity of showing actual harm to any individual member(s) of Local 134. However, the Executive Board of Local 134, all the members of which ran with Fitzgerald on the Unified Slate of candidates, had not issued a final decision on Chathas' request by the time Defendants filed their motion to dismiss. Therefore, in the face of this motion to dismiss, Chathas filed his own application with the district court, pursuant to Section 501(b), for leave to file a claim under Section 501. His application declared that any further dealings with the Local 134 Executive Board would be futile, permitting him to file the claim himself as a member of Local 134.[1] However, the district court granted Defendants' motion to dismiss and denied Chathas leave to file his Section 501 claim in orders issued on November 23, 1999. The district court stated that Chathas failed to state a claim under Section 501. This ruling was reversed by the Seventh Circuit.

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1. In January 2000, two months after this matter was dismissed by the district court, the Executive Board of Local 134 issued a letter to Chathas that officially denied his request for Local 134 to bring a Section 501 suit against Defendants.

I.

THERE IS NO CONFLICT AMONG THE COURTS OF APPEALS

There are no reported decisions from any of the courts of appeals that are in conflict with the Seventh Circuit's decision in this case. None of the courts of appeals have held that allegations of a union officer's involvement in a scheme to solicit and/or collect money from companies employing members of the officer's labor union, on behalf of a separate organization directed or controlled by officials from the labor union, fail to state a claim under Section 501 of the LMRDA. Certainly none of the cases relied upon by Petitioners, discussed in greater detail below, are factually similar to the current case. Instead, Petitioners rely upon dicta from various decisions of the courts of appeals involving Section 501 claims, dicta that appear to be contradictory, in support of their contention that a conflict exists. However, dicta are not judgments or even holdings. *Abbs v. Sullivan*, 963 F.2d 918, 925 (1992). Thus, contrary to the assertions of the Petitioner, there is no conflict among the circuits that the Court needs to resolve.

Petitioners cite the Second Circuit's decision in *Gurton v. Arons*, 339 F.2d 371 (1964) for the proposition that Section 501 is concerned only with a union official's conduct in terms of the handling of union money or property. However, the specific issue presented to the Second Circuit is much different than the central issue in this case. In *Gurton*, union members claimed that the leadership of their union violated their fiduciary duty under Section 501 by failing to implement changes in the internal voting processes of the union. *See Id.* The plaintiffs in *Gurton* did not charge their

union officers with soliciting and accepting money from companies that employ union members. The plaintiffs in Gurton did not claim that the union officers' conduct constituted an impermissible conflict of interest. Instead, the plaintiffs relied on a more general interpretation of "fiduciary duty". As Chathas will discuss in greater detail below, Section 501 expressly prohibits a union officer from acquiring a conflict of interest. Thus, Chathas does not rely on any broad, amorphous definition of "fiduciary duty".

Similarly, the other Second Circuit cases cited by Petitioners involve factual allegations of misconduct that are not analogous to those alleged in this case. In *Coleman v. Brotherhood of Railway & Steamship Clerks*, 340 F.2d 206 (1965) we again see a challenge to the manner in which a union conducted its election. In *Yanity v. Benware*, 376 F.2d 197 (1967) the alleged misconduct was the inducement of union members to participate in a strike. *Head v. Brotherhood of Railway, Airline, & Steamship Clerks*, 512 F.2d 398 (1975), involved a challenge to a restructuring of the union, which involved salary increases for some union officials. Finally, *Morrisey v. Curran*, 650 F.2d 1267 (1981) involved a payment of union funds to a union official. Not one of the Second Circuit cases relied upon by Petitioners involved either a) conduct similar to the conduct alleged in this case or b) a claim based on the express prohibition on conflicts of interest contained in Section 501.

Petitioners seem to argue that prior to its decision in this matter, the Seventh Circuit previously adopted a very narrow reading of Section 501. However, the history of the Seventh Circuit precedent reveals that its decision in this case did not break with any long standing tradition to

interpret Section 501 narrowly. Moreover, an analysis of these cases indicates, once again, that none of them involved either factual circumstances similar to the present case or claims of conflict of interest on the part of union officials.

"Seventh Circuit precedent confirms that this [Court] has expressly declined to describe, except in the most tentative and fact specific way, the contours of §501." *Operative Plasterers & Cement Masons v. Benjamin*, 843 F. Supp. 1267, 1272 (N.D. Ind. 1993). The *Operative Plasterers* court reached this conclusion on the basis of the Seventh Circuit's decision in *Trustee's of Operative Plasterers v. Journeymen Plasterers*, *Id.* (citing *Trustees of Operative Plasterers v. Journeymen Plasterers*, 794 F.2d 1217, 1220-21 (7th Cir. 1985)). In *Journeymen Plasterers*, the Seventh Circuit stated:

> [t]he proper scope of section 501 is not an issue susceptible to easy judicial resolution. Indeed, from the very earliest days of the LMRDA, it has been recognized that the precise contours of section 501 are difficult to delineate. Definitive interpretation of such an ambiguous provision must be undertaken with great caution even on the best of records.

Id. at 1219-20. Reading further, the court confirmed that:

> [t]o date, this circuit has not described, except in the most tentative and fact-specific way, the contours of this section.

Id. at 1220-21. Thus, Petitioner's characterization of the Seventh Circuit's decision below as "expansive" is

potentially misleading. It is true that the current case presented a unique set of facts upon which the court had to rule. It is fair to say that this was a matter of first impression. Thus, in finding that Chathas stated a cause of action, the Seventh Circuit certainly recognized a previously unused basis for a claim raised pursuant to Section 501. However, this decision cannot be said to have "expanded" a previously narrow interpretation of Section 501, as the Seventh Circuit stated that it has yet to definitively define the parameters of Section 501.

The Petitioners reliance on *Hood v. Journeyman Barbers, Hairdressers, etc.*, 454 F.2d 1347 (7th Cir. 1972), is most curious. First, there is no real factual similarity between the current case and one involving the handling of union pension money (*Hood*). Moreover, Petitioner's reliance on specific language in the *Hood* decision shows a remarkably careful job of editing. It is true, as Petitioners point out, that the court, in *Hood*, recognized the *motivation* for the implementation of Section 501. The court stated:

> [t]his Section, as we see it, was a direct and far reaching response to the mischief exposed by the McClellan Committee. That mischief was the misuse of union funds and property by union officials in its every manifestation.

Id. at 1354. However, what the Petitioners fail to bring to the Court's attention is the very next sentence, in which that very same court describes the *scope* of the coverage of Section 501:

> [t]hus the reach of Section 501 extends to every area in which the subversion of the interests of

> the union membership may be accomplished by union officials or representatives bent on active culpable derogation of those interests.

Id. While this is clearly dictum, it cannot be said to be dictum that indicates an approval for a narrow reading of Section 501. Instead, this language taken as a whole reveals the Seventh Circuit's view that in reaction to one kind of misconduct, Congress enacted legislation to curtail a wide range of misconduct.

The decisions in the other Seventh Circuit cases cited by Petitioners do little to support Petitioner's arguments. *Lux v. Blackman*, 546 F.2d 713 (1976) involved the firing on union officials for alleged communist affiliations. *Trustees of the Operative Plasterers v. Journeyman Plasterers*, 794 F.2d 1217 (1986) concerned a claim that the existence of a pension fund for officers and employees of the union constituted a violation of Section 501. *Shepherd v. A.T.&T.*, dealt with allegations of sexual harassment and other civil rights violations. None of these cases dealt with allegations of conflict of interest. Indeed, it appears that these cases were cited primarily for the dicta they contain. However, dicta does not create a conflict among the circuits.

The remainder of the cases cited by Petitioners are cases which the Petitioners cite because of their purported broad interpretation of Section 501. These cases were obviously cited because they seemed, to Petitioners, to establish the other side of the "conflict among the circuits". However, like the cases addressed above, none of these cases involve the solicitation of money by union officers from employers. None of these cases involve claims based on the language in Section 501 that expressly prohibits a union officer from acquiring a conflict of interest. Therefore, there is no reason

to dwell upon them in this section of Respondents' brief. However, one contention made by Petitioners will be dealt with below, the contention that Section 501 addresses only conduct involving official union activities.

II.

THE SEVENTH CIRCUIT'S DECISION WAS CORRECT

Section 501(a) of LMRDA prohibits a union officer from "holding or acquiring . . . any pecuniary or personal" conflict of interest, whether or not it involves a misuse of union property or assets. Section 501(a) states as follows:

> The officers, agents, shop stewards, and other representatives of a labor organization occupy positions of trust in relation to such organization and its members as a group. It is, therefore, the duty of each such person, taking into account the special problems and functions of a labor organization, to hold its money and property solely for the benefit of the organization and its members and to manage, invest, and expend the same in accordance with its constitution and bylaws and any resolutions of the governing bodies adopted thereunder, to refrain from dealing with such organization as an adverse party or in behalf of an adverse party in any matter connected with his duties and from holding or acquiring any pecuniary or personal interest which conflicts with the interests of such organization, and to account to the organization for any profit received by him in whatever capacity in connection with

> transactions conducted by him or under his direction on behalf of the organization.

By its plain language, Section 501 sets out three distinctly enforceable duties for union officers. Section 501 begins by making a general statement about the relationship between the union official and the union:

> *The officers, agents, shop stewards, and other representatives of a labor organization occupy positions of trust in relation to such organization and its members as a group.*

Then Section 501 lists the first duty imposed upon union officers:

> *It is, therefore, the duty of each such person, taking into account the special problems and functions of a labor organization, to hold its money and property solely for the benefit of the organization and its members and to manage, invest, and expend the same in accordance with its constitution and bylaws and any resolutions of the governing bodies adopted thereunder,*

the next clause contains the second and, for this case, the most crucial duty:

> *to refrain from dealing with such organization as an adverse party or in behalf of an adverse party in any matter connected with his duties and from holding or acquiring any pecuniary or personal interest which conflicts with the interests of such organization,*

and the last clause contains the last duty:

> *and to account to the organization for any profit received by him in whatever capacity in connection with transactions conducted by him or under his direction on behalf of the organization.*

When read carefully, the plain language of Section 501 clearly sets forth a duty to avoid conflicts of interest, the breach of which gives rise to a cause of action like that asserted by Chathas. Moreover, contrary to the assertions of Petitioners, there is nothing in the "conflicts of interest" clause that indicates that only conflicts created while engaged in the official duties of a union officer are prohibited. There is no such modifier in that clause. Chathas concedes that there is very little case law specifically defining "personal or pecuniary conflict of interest" for purposes of Title V. However, Chathas asserts that there can be no clearer example of a conflict of interest than a union officer's solicitation and acceptance of money from the very people with whom he is supposed to negotiate contracts at arms length and against whom he must represent union members concerning grievances under those contracts.

The Third Circuit has indicated that a union officer who merely has a connection with a second union would have a conflict within the meaning of Title V of the LMRDA. In *Suburban Transit Corp. v. NRLB*, 499 F.2d 78 (CA 3 1974), *cert. denied*, 95 S. Ct. 68, the court noted a UTU officer's outside work for the Teamsters, and said:

> . . . we wish to record our strong disapproval of the ethics of such activities by (him) while an

> official of the UTU, involving, as they appear to have done, the type of conflict of interest that makes it highly improbable that a union representative could fully carry out his responsibilities to his union and to his fellow employees. Cf. § 501 (a) of the Landrum-Griffin Act, 29 U.S.C. § 501 (a).

Suburban Transit, 499 F.2d at 83 n.6. If a union officer's connection with another union is sufficient to raise concerns about his fidelity to the employees he represents then an even stronger case can be made in a situation such as this, where the union officer's connection is not with a "rival union" but with the employer who sits on the other side of the bargaining table! A general review of labor law concerning the scope of the duty of union officials to avoid conflicts offers additional support for Chathas' position.

There is a consistent policy in labor law to deal harshly with even an appearance of a conflict of interest on the part of union leadership. In *NLRB v. David Buttrick Co.*, 361 F.2d 300 (1st Cir. 1966), the court was presented with a case where the employer questioned the legitimacy of the putative bargaining representative, Local 380 of the International Brotherhood of Teamsters. The employer contended that Local 380 had a conflict of interest, based on the Local's relationship with its International and the existence of a substantial loan from a pension fund controlled by the International (but serving IBT members in another geographical location) to a competitor of the employer. *Id.* at 302. In *Buttrick*, the court stated that the crucial issue in determining whether the Local was an appropriate bargaining unit was not whether there existed an *actual* conflict of interest, but whether there was a *potential* conflict

of interest. *Id.* at 309. There is a duty of complete loyalty of union representatives to their constituents. *Id.* at 305 (citing *Ford Motor Co. v. Huffman, et al.*, 345 U.S. 330, 338 (1953).

In support of its position, the *Buttrick* court also cited at great length the case of *Bausch & Lomb Optical Co. Id.* at 306. (discussing 108 N.L.R.B. 1555 (1954)). In *Bausch & Lomb*, a local union was denied recognition as a bargaining representative because it owned a competing concern in the same city. *Id.* There was no evidence that the local union in *Bausch & Lomb* had ever taken any action to benefit its own company. Nevertheless, the Board denied certification, pointing out the necessity for a bargaining agent to have "single-minded purpose" and "complete loyalty". *Id.* The Board stated, in pertinent part:

> [w]hile we agree with the Trial Examiner that no evidence of specific abuse by the Union in the bargaining relationship has been presented, we cannot ignore or disregard the innate danger involved were we to order this Respondent to bargain with a union which is also its business competitor.

Id. Thus, once again, even the appearance of a conflict of interest is sufficient to disqualify a Local from being certified as a bargaining representative.

The Seventh Circuit relied heavily on the *Buttrick* court's reasoning in its decision in *R&M Kaufmann v. N.L.R.B.*, 471 F.2d 301 (7th Cir. 1972). In *Kaufmann*, the Seventh Circuit denied certification to a bargaining unit on the basis of its relationship with a trade organization that was previously denied certification to represent the same

employees. In reversing the decision of the Board, the court noted that there was no evidence of proof of actual misconduct on the part of the potential bargaining unit. *Id.* at 304. However, the court held that the focus of the inquiry must be on the "potential for such misconduct, before the union is certified." *Id.* The Seventh Circuit stated:

> The principles attaching to the concept of conflicts of interest in the fiduciary field generally, and also in the field of collective bargaining, look to the prevention and forestalling of conditions which are likely to divide loyalties. Were proof of union "betrayal" required to trigger application of sanctions, this constructive operation of law would be largely nullified.

Id. (quoting *Buttrick* at 361 F.2d at 304-05). The court stated further that "what disqualifies a union from acting . . . is the latent danger that it may bargain, not for the benefit of unit employees, but for the protection and enhancement of [other interests]". *Kaufmann* at 304 (quoting *Bambury Fashions, Inc.*, 179 N.L.R.B. 447 (1969)).

Chathas contends that a survey of the case law dealing with the issue of conflicts of interest and union officials reveals that courts have found conflicts of interest to exist in cases involving conduct significantly less egregious than that alleged against Petitioners. It is reasonable to conclude, therefore, that Federal labor law does not countenance the innate danger involved in allowing union officials to bargain with employers from whom they have solicited money for their personal internal political organization. It would be consistent with these decisions for this Court to find that the potential for impropriety posed by Petitioners' alleged conduct is sufficient to state a cause of action under Section 501.

CONCLUSION

For all the foregoing reasons, Respondents respectfully request that this Honorable Court deny the Petition.

Respectfully submitted,

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